APPROVED: **DATE:**

Procedure 5-06
Field Work: The Audit Program and Audit Evidence

Purpose

To ensure compliance with GAS field work standards.

AUDIT PROGRAM (Milestone #17)

Purpose

To develop an audit program to determine if the controls or procedures the audited entity has in place to prevent, eliminate, or minimize identified threats are working.

Background

As the audit progresses, the audit staff should document in the audit program the key decisions about the audit objectives, scope, and methodology, as well as the auditors' basis for those decisions. The audit progress should be documented in the Audit Program and Results (APR) to reflect any significant changes to the audit program and the results of the completed audit procedures.

Auditing involves the measurement of representative transactions or processes and comparing the results with determined criteria. Auditing produces evidence upon which the auditor formulates findings, conclusions, and recommendations. Audit objectives and sub-objectives should define desired audit accomplishments. Audit steps and procedures are the methods used to acquire evidence. A list of the audit steps to achieve an audit objective is the audit program.

The audit program for field work may be divided into various audit objectives and sub-objectives depending on the scope and organization of the audit. Field work objectives are lettered D, E, F, etc. Sub-objectives are lettered D-1, D-2, etc. Each objective and sub-objective should be summarized. See "Field Work Audit Program and Results File" Attachment 5-06A, for sample format of the APR. A copy of the template is available from the Office Work Processor.

The field work audit program usually involves the following process:
1. Determining criteria.
2. Determining the total population. (See Attachment 5-06C)
3. Selecting a sample of transactions or processes. (See Attachment 5-06C)
4. Examining the sample. (See Attachment 5-06C)

Attachment 5-06B, "Guidelines for Audit Procedures" discusses the different types of procedures for examining the sample.

Procedure

Audit Staff	1. Based on the Vulnerability Assessment, write the audit program to determine if the controls or procedures the audited entity has in place to prevent, eliminate, or minimize identified threats are working (See Procedure No. 5-05H for and example of an audit program). In writing the audit procedures, follow the City Auditor Guidelines for Audit Procedures (Procedure No. 5-06B). 2. Auditors should be alert to situations that could be indicative of abuse or illegal acts
Supervising Auditor and City Auditor	3. Review and approve the Audit Program.
Audit Staff	4. File the Audit Program in the audit workpapers. 5. As the audit progresses, update the Audit Program by describing the results of the completed audit procedures in an Audit Program and Results (APR) file.

AUDIT FIELDWORK – PHASE II (EVIDENCE GATHERING) (Milestone #M-20)

Purpose

To ensure that sufficient, competent, and relevant evidence is obtained to afford a reasonable basis for the auditors' findings and conclusions.

Background

During the Evidence Gathering phase of the audit, the audit staff measures representative transactions or processes and compares the results with determined criteria. The work during this phase produces **Audit Evidence** upon which the auditor formulates findings, conclusions, and recommendations.

Procedure

Audit Staff	1. Conduct the audit tests and other procedures determined under Mileston No. M-17. Ascertain that the evidence obtained is sufficient, relevant, competent, and useful. See Attachment 5-06-F.
	2. If computer-processed data are an important or integral part of the audit and the data's reliability is crucial to accomplishing the audit objectives, the audit staff should ascertain that the data are relevant and reliable. This is important whether the data are provided to the auditor or the auditor independently extracts them. To determine the reliability of the data, the audit staff may either (1) conduct a review of the general and application controls in the computer-based systems including tests as are warranted; or (2) if the general and application controls are not reviewed or are determined to be unreliable, conduct other tests and procedures (See Procedure No. 5-08)
	3. Document all audit work. If computer files are too large to print, document at least a description of each file. Ascertain that weekly back-up files are made and secured.
	4. File all documents pertaining to the audit in the audit workpapers. Promptly label and number all workpapers.
	5. Auditors should be alert to situations that could be indicative of abuse or illegal acts